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The Director of Central Intelligence
Washington, D.C. 20505

National Intelligence Council

NIC No. 01597-86
26 March 1986

MEMORANDUM FOR: Chairman, National Intelligence Council

FROM: George Kolt
National Intelligence Officer for Europe

SUBJECT: Post-Mortem on Spanish Referendum

REFERENCE: Your Memorandum of 13 March 1986

1. EURA will be giving you a more detailed reply to your memorandum, but before I leave on my trip I want to give you some thoughts from my perspective as the NIO.

2. I think there are two criteria by which to judge our performance on Spain's NATO referendum:

- How well did we serve policymakers?
- How accurate were our intelligence judgments?

The two criteria are, of course, interrelated and I will address them jointly.

3. Our first estimate dealing principally with the referendum issue was done in March 1985 (SNIE 27.1-85: Spain and the Western Security System; the drafter was [redacted]). That estimate responded to the questions being raised within USG by the Spanish government's increasingly frequent statements about the need to reduce the US military presence in conjunction with continued Spanish membership in NATO. DoD was particularly concerned that these questions--particularly in Congress--would have a negative effect on the relationship it was trying to develop with Spain and on its ability to make ongoing improvements to our facilities in Spain. The thrust of our NIE was that if Gonzalez "came to believe he was not succeeding in rallying the public majority behind NATO, he could call an early parliamentary election to avoid the risk of a referendum defeat: continued NATO membership is more important to Gonzalez than holding the referendum" and that we did not "believe

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that the Spanish (would) push to modify the present bilateral agreement before its scheduled renegotiation in 1987". We also noted that "unexpected domestic and external developments could still disrupt Spain's developing security relationship with the West" but, we did not think this would happen. Thus we gave reassurance on the long-term prospects of the US-Spanish military relationship.

4. In late September we became concerned about the direction in which Gonzalez was seemingly headed and, at the urging of [redacted] decided to reexamine the situation in a fast-track SNIE. [redacted] again served as the drafter and the SNIE was published in October 1985 (SNIE 27.1/2-85: Spain: The NATO Referendum and US-Spanish Military Ties). We introduced the SNIE by saying that "the future of Spain's security relations with the West has become more problematic since publication of SNIE 27.1-85 in March", a clear warning that we were revising our views in the light of new evidence. We then made four basic judgments:

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- That Gonzalez had become increasingly but not yet irrevocably committed to holding a referendum (State disagreed. It thought that Gonzalez was already irrevocably committed and that he had already begun his referendum campaign. In the event many of Gonzalez' lieutenants had grave reservations about the wisdom of the referendum and tried to get them to back away from it throughout the fall and early winter--developments which we reported in the daily pubs. Gonzalez did not officially announce a referendum until January 1986 and did not really begin his campaign until February.)
- That Gonzalez would not get the support of conservatives if he did go ahead with the referendum (State disagreed with this judgment, but it was proven right).
- That even if Gonzalez managed to pull off a favorable referendum result the campaign itself "would probably highlight the US military presence and assure that the opposition to US basing privileges (would) also increase." (That judgment proved to be right.)
- That Gonzalez would probably lose a referendum if he held it. (That judgment obviously proved to be wrong for a reason that I will examine later).

In essence our estimate said there was still time--but precious little--to induce Gonzalez away from a course fraught with dangers.

5. After publication of the SNIE we continued to track the situation, DDI/EURA through the pubs and I, through my dialogue with policymakers and memos to the Director. My initial concern was to keep

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policymakers informed of the continuing debate in the Socialist party about the wisdom of holding the referendum. Once Gonzalez had announced his decision, my concern became to encourage policymakers to develop plans for limiting the damage in case Gonzalez lost the referendum--which I did by keeping them apprised of the polls which continued to show that Gonzalez's prospects for winning were 50-50 at best. Acting in part on the basis of our information, the USG did manage--directly and indirectly--to get the message to Gonzalez not to overreact in case of a referendum defeat and to engage in some consultations before he did anything.

6. As you mentioned in your memorandum, the outcome turned out to be a happy one and we can all rejoice that the contingency plans we helped bring about turned out not to be needed. Still, could we have done better?

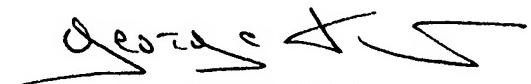
- In serving policymakers there could, of course, have been marginal improvements. But I believe we did as well as we ever will in getting policymakers to focus on a major potential problem.
- Regarding intelligence, even though we never excluded the possibility of Gonzalez winning, our bottom line judgment was that he would probably lose. Although I think this was the right judgment to make--both in terms of the evidence that we had and in term of what policymakers had to focus on--I believe we could have improved the quality of our product by noting the factor which, in my opinion, eventually allowed Gonzalez to win--namely that NATO was not a critical issue for Spanish voters. Just as with the US military presence, polls showed considerable latent opposition to NATO. But they also showed that few voters spontaneously identified this as one of Spain's leading problems. What happened in the referendum campaign was that pollsters kept asking "are you for or against NATO" and getting a negative outcome. When the voters went to the polls, however, I believe that a new psychological factor came into play. A number of NATO's opponents asked themselves whether the NATO issue was so important, decided it was not, and shrank away from the consequences of inflicting an incalculable setback on a generally popular leader. Just as the Spanish pollsters I know that I personally lost sight of the noncentrality of the NATO issue to most Spaniards and I believe that DDI/EURA did the same.

7. Are there any lessons to be learned here? Yes, but first the lesson not to be learned: Our striving to be right should not drive us into making the perfectly safe and useless judgment that some event could

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come out this-a-way or that-a-way and only the Delphic oracle knows for sure. The lesson to be learned or rather relearned. Our experience with the referendum is a useful reminder of the need to consider and spell out the unknowable variables that might still affect the outcome. If we had done that on the referendum issue I think our performance would have been even better than I think it already was. But I think the bottom line would have remained the same: the risk of a defeat was high and, by implications, US policymakers should have a plan for that contingency.


George Kolt

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26 March 1986

MEMORANDUM FOR: Chairman, National Intelligence Council
FROM: George Kolt
National Intelligence Officer for Europe
SUBJECT: Post-Mortem on Spanish Referendum
REFERENCE: Your Memorandum of 13 March 1986 (DDI 01193-86)

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DDI #01193-86
13 March 1986

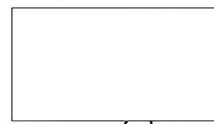
MEMORANDUM FOR: Director, EURA
NIO/Europe

SUBJECT: Spain

1. Further to my telephone conversation with John McLaughlin, I think it would be a good idea to go back and assess why we were wrong on the outcome of the Spanish NATO referendum. From the NIE to typescripts and current intelligence, we consistently conveyed a pessimistic view that Gonzalez could bring off a victory. In one recent typescript, for example, the most optimistic scenario discussed was the outside possibility of a very narrow win -- "the best he could hope for." (S)

2. I am even more disturbed by John's indication to me that, in fact, a number of the analysts felt "in their gut" that Gonzalez would be victorious. If so, that view certainly was not conveyed to me much less anyone in the policy community in any of our written materials. In the Political Instability Quarterly, we take note of the fact that sometimes analysts' instincts go contrary to the evidence and we even have a special column in the checklist where an instinctive assessment can be expressed -- and explicitly acknowledged as an analyst's "gut feel." I would like to know why, if the analysts felt this way, it somehow did not emerge in some respect in any of our assessments. (S)

3. Because this story has a happy ending, I doubt that we will receive much outside criticism. For our own benefit, however, I believe we should closely examine this case and reflect on lessons that could be applied in the future. (U)



Robert M. Gates
Deputy Director for Intelligence

cc: C/MPS/PES

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SUBJECT: Spain

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Post-Mortem on Spanish Referendum

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